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CENTRAL INTELLIGENCE GROUP

104332

INTELLIGENCE REPORT

COUNTRY Germany/French Zone

DATE:

SUBJECT French Plans for Economic of the French Zone

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1. Gouvernement Militaire officials informed members of the German government of Württemberg that the French plan to reorganize completely the economic administration of the French Zone. They propose to create an economic planning service consisting of Germans but supervised by a French service of the same character. The Landesdirektion für Wirtschaft has been informed only that the German group will be responsible for production plans which will be sent for approval to the French service; Landesdirektion officials assume that the new service will be similar to the Russian Zone planning offices.
2. In addition to this idea, Gouvernement Militaire has worked out a program for administrative decentralization of French Zone economy. Administrative powers now held by French services centralized in Baden-Baden for the whole zone are scheduled to be divided among French services to be established in the Länder. To correspond to these Land level economic-administrative French groups, the Landesdirektion für Wirtschaft was ordered to create German services in each Land. The government of Württemberg protested to Gouvernement Militaire that creation of several new Land services would burden the small Land (about 1.1 million inhabitants) with an inflated bureaucracy and suggested that the Landesdirektion für Wirtschaft assume the new functions. To this counter-proposal Gouvernement Militaire has not yet agreed.
3. [REDACTED] the French plan is attributable to political rather than economic considerations. They believe that the French wish to eliminate the necessity for conferences of German officials, experts, trustees, etc., of the three French Zone Länder, which are inevitable as long as services remain centralized at Baden-Baden. If the Länder have their own regional services, the last thin unifying band of economic cohesion will be severed.

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